

EXTENSIONS OF REMARKS

THE FINANCIAL FREEDOM ACT OF
1999

SPEECH OF

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

Mr. MOORE. Mr. Speaker, I rise today to express my opposition to this tax cut package and to explain my votes on this legislation.

H.R. 2488 is fiscally irresponsible and dangerous to the country's economic growth and future. The package sponsored by Representative BILL ARCHER would commit this Congress to cutting taxes by \$792 billion over the next 10 years, dedicating the majority of an expected \$1 trillion Federal budget surplus—that may or may not materialize—toward massive tax cuts. Projections by the Treasury Department suggest that the cost of the bill would explode to \$3 trillion in the second 10 years. This is the same decade in which our obligation to the retiring baby boom generation comes due, the Social Security Trust Fund will begin to be drained, and the Medicare Trust Fund will be exhausted.

Mr. Speaker, I serve on the House Banking and Financial Services Committee. On July 22, the same day that this Congress acted to pass a \$792 billion tax cut, Federal Reserve Chairman Alan Greenspan testified before our Committee. Chairman Greenspan not only argued that the projected surpluses on which this tax cut relies are based on spurious assumptions, but also that his preference would be to allow these surpluses, should they materialize, to buy down our \$5.6 trillion debt. I listened to Chairman Greenspan and I voted against the majority tax cut bill. I voted for the motion to recommit, a proposal that would instruct the Ways and Means Committee to heed the advice of Chairman Greenspan and redraft their bill to distribute 50 percent of the surpluses to buying down our debt, 25 percent to tax cuts and 25 percent to ensure the long-term solvency of Social Security and Medicare. Unfortunately, this motion failed by nine votes.

For the first time in a generation, we have an opportunity to do the right thing, the financially responsible thing for our children, our grandchildren and our Nation—we have the opportunity to put our financial house in order by paying down our burdensome national debt. In 1998, we paid \$243 billion in interest on the national debt. Paying down the debt would reduce these annual interest payments to fund future tax cuts or other needs. Paying down this debt would reduce our overall interest rates, as much as 2 or 3 percent. The benefit of such a decrease in interest rates should be readily apparent to any person in this country who borrows money from a bank or carries a credit balance.

By way of illustration, if one finances a mortgage of \$115,000 for 30 years at 8 percent,

the payment is \$844 each month. But decrease the interest rate by only 2 percent, and the mortgage payment is \$689 per month for monthly savings of \$155 or an annual savings of \$1,860. I call this the ultimate tax cut. By way of contrast, H.R. 2488 would only place \$289 back in the average taxpayer's pocket. This, while bankrupting America's future.

I believe we should not let this opportunity pass. I believe we should be fiscally responsible and do the right thing now for our Nation and for our Nation's future. I believe that the only vote that represents this sort of resolve and discipline was "aye" on the motion to recommit.

Mr. Speaker, I also voted in favor of the minority substitute that provides substantial tax relief to working Americans who need it most. While I would have included provisions that differ somewhat from this version had I drafted this bill myself, the minority substitute contains the following provisions that are beneficial to Kansans:

Estate Tax Relief: \$26 billion in estate tax relief over 10 years to accelerate the \$1 million exclusion from 2006 to 2000.

Marriage Penalty Reduction: \$74 billion in tax relief over 10 years to reduce the "marriage penalty." The bill adjusts the standard tax deduction for a joint income tax return filed by a married couple so that it is twice the standard deduction allowed to single taxpayers—\$8,600 as opposed to the current \$7,200.

Permanent Extension of the Research and Development Tax Credit: \$27.2 billion over 10 years to permanently extend the tax credit for businesses that engage in resource-intensive research, thereby encouraging economic expansion. A 1998 study estimated that a permanent R&D tax credit would result in an additional \$41 billion in private sector research and development investment between 1998 and 2010.

Child Credit Increase: \$17 billion in tax relief over 10 years to increase the family child tax credit by \$250 for each child under five.

Limitations on Non-Refundable Credits: \$36 billion in tax relief over 10 years to repeal the current limitation on the use of non-refundable credits to reduce an individual's tax liability. Non-refundable tax credits include the child credit, various education credits and the dependent care credit.

School Construction and Modernization: \$8.6 billion over 10 years for interest-free funds to State and local governments for public school construction and modernization projects.

Life-Long Learning Support: \$7 billion over 10 years to make permanent the exclusion from income amounts received from employer-provided educational assistance for both higher education and post-graduate expenses.

Long-Term Health Care Credit: \$15 billion over 10 years to extend a non-refundable income tax credit of \$1,000 for each individual

with long-term needs taken care of in a household.

Mr. Speaker, this plan also restricts the majority of these tax cuts from taking effect until Medicare and Social Security have achieved solvency. This plan, along with my support of the motion to recommit, is the responsible approach to providing tax relief. I hope that this Congress can work together in the weeks and months ahead to provide reasonable and responsible tax relief to working families and family businesses while also paying down the debt and strengthening Medicare and Social Security.

THANK YOU, CHIEF GARY A.
MUELLER

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mr. BARCIA. Mr. Speaker, if any of us ever face an emergency like a fire or accident, we are both most fortunate and comforted by the fact that caring professionals will respond to our needs. For nearly thirty-six years, the people of Bay City have received such service from Fire Chief Gary Mueller, who has recently retired from the Bay City Fire Department.

Gary Mueller has lived in Bay City all his life. Since his time at Zion Lutheran Grade School with the important guidance he received from his parents Otto and Marie Mueller, through his days at Handy High School, Bay City Junior College, and Delta College, Gary Mueller made friends in the community who later became the people he swore to help protect as a member of the Bay City Fire Department.

From that first day, September 12, 1963, he was an exemplary member of the Department. He was promoted to Relief Engineer on March 6, 1976, and then to Engineer on June 22, 1983. He was promoted to Lieutenant on the "C" shift on August 18, 1988. He became a Captain on April 4, 1990, and then Assistant Chief on August 4, 1992.

The work of a firefighter is one filled with danger, and our appreciation of the work done by Chief Mueller must also extend to his wife Nancy Crampton Mueller, and his children Mandi, Michel, Steven and Scott, and his stepsons Marc and Scott Uhlmann. They had the worry while the public had the benefit. Now that they can rest assured that Gary Mueller will be out of harm's way, may they all know that their peace of mind is as well-deserved as Chief Mueller's retirement, and the Chief's chance to enjoy his granddaughter, Kayla.

Mr. Speaker, we certainly appreciate the work of Gary Mueller who sacrificed and risked so much over the years. I ask you and all of our colleagues to join me in thanking him

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